



Company bonds which have been redeemed without the issue of any securities for that purpose. It further reports that on January 1, 1931, it will pay \$660,700.00 aggregate principal amount of the first mortgage serial and sinking fund gold bonds of Santa Barbara Electric Company and that heretofore it has redeemed \$30,000.00 of said bonds, making a total of \$690,700.00 of Santa Barbara Electric Company bonds which applicant has redeemed or will redeem, against which it has no securities. It further reports that it has redeemed \$9,000.00 aggregate principal amount of first mortgage five percent gold bonds of the Edison Electric Company and that no securities have been issued to furnish funds to redeem such bonds.

The total face value of bonds which applicant has redeemed and against which it seeks permission to issue securities is \$4,037,700.00.

In Exhibit No. 7, it reports construction expenditures against which the Commission has not authorized the issue of any securities in the amount of \$2,031,066.88. This amount is arrived at in the following manner:

<u>Expenditures for new construction uncapitalized</u>			
as of September 30, 1930 .....			\$8,954,364.06
<u>1930:</u>			
October-New construction estimated	\$1,500,000.00		
November- " " " "	1,500,000.00		
December- " " " "	1,500,000.00		4,500,000.00
	Total .....		<u>13,454,364.06</u>
<u>Proceeds yet to be derived:</u>			
Unpaid balance on stock subscribed			
for September 30, 1930 .....	6,801,272.18		
<u>Securities authorized and unsold</u>			
<u>October 31, 1930:</u>			
Preferred Series "B" 6%	2,895 shs	72,375.00	
" " "C" 5 1/2%	126,736 "	3,168,400.00	
Common	20,070 "	501,750.00	
Bonds: 5's of 1954 .....		879,500.00	<u>11,423,297.18</u>
Balance available for further authorization of securities .....			<u>\$ 2,031,066.88</u>

In arriving at the amount available for further authorization of securities, applicant has proceeded on the assumption that all of the securities heretofore authorized by the Commission had been issued and the proceeds realized. Testimony shows, however, that a substantial amount of the securities which applicant has assumed to have been issued, have in fact not been issued, with the result that some of the proceeds will not be realized during the remainder of this year. In Exhibit No. 8, applicant reports its total expenditures for new construction, as of September 30, 1930, against which no securities have been issued, in the amount of \$8,954,364.06. In arriving at this sum, applicant has considered its actual construction expenditures to September 30, 1930 and has deducted from such expenditures proceeds realized from the sale of securities to October 31, 1930. Neither in Exhibit No. 7, nor in Exhibit No. 8, did applicant consider the amount of money it will have available for the investment of its properties on account of the credits to its depreciation reserve exceeding charges to such reserve.

The \$5,000,000.00 of bonds which applicant proposes to issue are part of a new series of bonds created by a resolution of its Board of Directors adopted October 31, 1930 (Exhibit No. 2). The new series of bonds will bear interest at the rate of four and one half percent per annum, payable semi-annually, will be dated November 1, 1930 and mature November 1, 1955. The bonds will be callable at the option of the company on any interest date prior to their maturity, upon proper notice being given, by the payment of the principal and accrued interest and a premium determined as follows:

If redeemed prior to or during the calendar year 1945,  
a premium of 5 percent per annum of the principal of the bonds;  
in 1946 a premium of 4-1/2 percent;  
in 1947 a premium of 4 percent;  
in 1948 a premium of 3-1/2 percent;  
in 1949 a premium of 3 percent;  
in 1950 a premium of 2-1/2 percent;  
in 1951 a premium of 2 percent;  
in 1952 a premium of 1-1/2 percent;  
in 1953 a premium of 1 percent;  
in 1954 a premium of 1/2 percent; and  
in 1955 at par.

The testimony shows that the discount which Mt. Whitney Power and Electric Company, Santa Barbara Electric Company and Edison Electric Company may have suffered through the issue of the bonds referred to in this proceeding has all been amortized. The testimony further shows that whatever premium the Southern California Edison Company, Ltd. may have paid or will pay in connection with the redemption of the aforementioned bonds will be charged to surplus.

Applicant at this time intends to sell the \$5,000,000.00 of bonds through its own organization. While it asks permission to sell such bonds at not less than 95 percent of their face value and accrued interest, it is its intention under existing conditions to offer the bonds for sale at not less than 97 percent of their face value and accrued interest. The bonds will be sold for cash and not on an installment payment basis.

#### ORDER

Southern California Edison Company, Ltd. having asked permission to issue and sell \$5,000,000.00 face value of its refunding mortgage gold bonds, Series of 4-1/2's, due 1955, a public hearing having been held before Examiner Fankhauser and the Commission being of the opinion that the money, property or labor to be procured or paid for by the issue of such bonds is reasonably

required for the purposes herein stated, that the expenditures for such purposes are not reasonably chargeable to operating expenses or to income, and that this application should be granted, as herein provided, therefore,

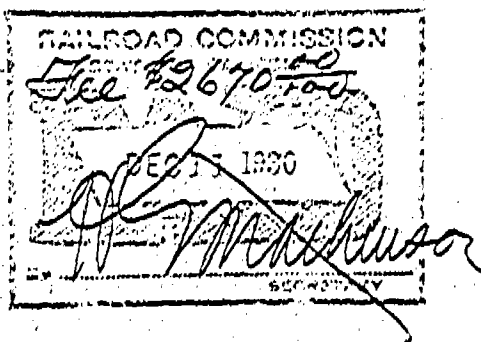
IT IS HEREBY ORDERED as follows:

- (1) Southern California Edison Company, Ltd. may, on or before December 31, 1931, issue and sell at not less than 95 percent of their face value and accrued interest, \$5,000,000.00 of its refunding mortgage gold bonds, Series of 4-1/2's, due 1955, and use \$4,037,700.00 of the proceeds to reimburse its treasury because of moneys used to redeem the bonds of Mt. Whitney Power and Electric Company, of Santa Barbara Electric Company and of Edison Electric Company, and to pay \$660,700.00 of bonds of said Santa Barbara Electric Company, referred to in this proceeding, and to use the remainder of the proceeds to finance, in part, the cost of constructing, completing, extending and improving its facilities, as set forth in applicant's 1930 budget filed in Application No. 16187, or for such other purposes as the Commission may hereafter authorize.
- (2) The authority herein granted will become effective when applicant has paid the fee prescribed by Section 57 of the Public Utilities Act.
- (3) Applicant shall keep such record of the issue and sale of the bonds herein authorized and of the disposition of the proceeds as will enable it

to file, on or before the 25th day of each month, a verified report, as required by the Railroad Commission's General Order No. 24, which order, insofar as applicable, is made a part of this order.

DATED at San Francisco, California, this 10th day of December, 1930.

C. C. Deane  
James L. ...  
Leon ...  
Thos. ...  
W. J. ...  
Commissioners.



Fee # 28488